



# *Annual Direct Loan Conference*



## ***Session #32***

# ***Reporting of Title IV Grant Overpayments***

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# ***Session Agenda***

- Regulatory requirements
- Title IV Grants Overpayments - The Process
  - Reporting
  - Referring
- A dialog on future R2T4 software enhancements



# ***Regulatory Requirements***

## ■ Return of Unearned Aid - 34 CFR 668.22 (h)

Total Unearned

– Less Amount of Unearned returned by  
Institution

= Equals the Amount of Unearned to be  
returned by the student (or parent in the  
case of a PLUS loan)



## ***Student's Responsibility***

- Title IV Loans - repay in accordance with the terms of the loan -
  - under Refunds & Repayments
    - pre-11/1/99 regulations, schools had to attempt the immediate collection of loans from the student;
  - under Return of Title IV funds, school is relieved of that burden.

continued



# ***Student's Responsibility***

## ■ Title IV Grants -

- Initial amount to return X 50%
- = Amount for the student to return
  - the original amount of the overpayment



## ***Notice Requirement***

- The institution is required to notify the student of an overpayment within 30 days of the date the institution determines the student withdrew
- The options available for the student to resolve the overpayment
- Indicate that there is a period of 45 days of extended eligibility



## ***Period of Extended Title IV Eligibility***

- Student remains eligible for Title IV, HEA program funds through and beyond the earlier of:
  - 45 days from the date the institution sends notification to the student of the overpayment
  - OR
  - 45 days from the date the institution was required to send the notification to the student

continued





## ***Period of Extended Eligibility***

- Example - #1 Notice within 30 day period
  - Institution determines student withdrew on 8/20 and owes a Title IV grant overpayment
  - School sends notification to student on 9/1
  - 45 day period for the student to take positive action
    - Starts 9/2
    - Ends 10/16

continued



## ***Period of Extended Eligibility***

### ■ Example - #2 After 30 day period

- Again, date of determination is 8/20, for a student who withdrew on 7/8 and owes a Title IV grant overpayment
- The 30-day period ends 9/19, but institution does not send the notice until 9/30.
- 45-day period for student to take positive action
  - Starts 9/20
  - Ends 11/2, not 45 days from 9/30



## ***Period of Extended Eligibility***

- Student **MUST** take positive action -
  - A. Repay the institution in full immediately; or
  - B. Make repayment arrangements that are satisfactory with the institution; or
  - C. Make repayment arrangements with ED Collections.
- The notice must explain these options

continued



## ***Period of Extended Eligibility***

- Student fails to take positive action
- Day 46 - the overpayment is reported to NSLDS
- Student is no longer eligible for Title IV funds



# ***Repayment Arrangements***

## ■ With the institution -

- Must be for NO longer than 2 years from the date of determination.
- The institution can be VERY flexible in its arrangements.
  - Example - student plans to return the following term and payments do not begin until four months from the date of determination and are a modest amount per month, until summer when the balance is fully retired.

continued



## ***Repayment Arrangements***

- Institution reviews its own demographics and decides that it can re-enroll a % of the withdrawals in the next term.
- Advantageous to
  - Student
  - School
  - Government
- Institution decides to collect overpayment end of 2 year term

continued



# ***Repayment Arrangements***

- Institutional repayment arrangement
  - Student violates the terms of the agreement
    - Must report and refer to ED Collections
    - Student is no longer eligible for additional Title IV funds, unless
      - the student makes satisfactory repayment arrangements with ED Collections



## ***Overpayments - The Process***

- The institution is required to report Title IV grant overpayment to ED via NSLDS
- Reporting is the process of creating an electronic record of the overpayment within NSLDS
- Institutions are encouraged to postpone reporting of a Title IV grant overpayment until the student has responded to the school's notice

continued





# ***Overpayments - The Process***

- The referral process is a separate step.
- Referring an overpayment is the process of turning over the student debt to the Student Credit Management Collections (ED Collections).



## ***Reporting the Overpayment***

- Fully repaid - if the institution waits for the student response during the 45-day period of extended eligibility and the student fully repays the institution
- No reporting to NSLDS
- Benefit to student - no adverse report that could slow Title IV eligibility for following term and less burden for institution.

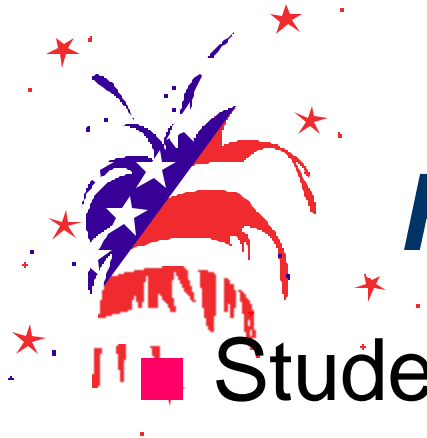
continued



## ***Reporting the Overpayment***

- Student decides to make arrangements with institution
- Institution on-line reporting via NSLDS
  - Go to: Pell Grant Overpayment field
    - enter “**S**” which connotes that a Satisfactory repayment arrangement has been established
  - Go to: Pell Grant Overpayment source field
    - the record source field should be “**SCH**” - the owner of the record is the school

continued



## ***Reporting the Overpayment***

- Student violates the repayment terms
- ★ ■ Institution on-line reporting via NSLDS
  - Go to: Pell Grant Overpayment field
    - change “**S**” to “**Y**” which connotes that the Satisfactory repayment arrangement has been eliminated, the “**Y**” means “**Yes**” **there is an overpayment**
  - Go to: Pell Grant Overpayment source field
    - change “**SCH**” to “**TRF**” - the owner of the record changes from the school and is **transferred to ED**

continued



## ***Reporting the Overpayment***

- Student wants to make arrangements with ED Collections
- Institution on-line reporting via NSLDS
  - Go to: Pell Grant Overpayment field
    - enter “**Y**” which connotes Yes, there is an overpayment
  - Go to: Pell Grant Overpayment source field
    - change “**SCH**” to “**TRF**” - the owner of the record changes from the school and is transferred to ED

continued



## ***Reporting the Overpayment***

- Institution should instruct student about the reporting and referral process
- Student should wait 10 days prior to contacting ED Collections
  - 1-800-621-3115
  - U.S. Department of Education  
Student Financial Assistance Programs  
P.O. Box 4222  
Iowa City, IA 52245



## ***Reporting the Overpayment***




- Any future CPS output document will indicate the the student's overpayment status

# NSLDS Screens

**Overpayment History (JOE J STUDENT) - Microsoft Internet Explorer**

File Edit View Go Favorites Help



Address <N:\Task Order 48\Specs\correct Page Pictures\Overpayment History.html>


**NSLDS** **Menu** **AID** **Org** **Report**   

[Loan History](#) | [Enrollment History](#) | [Enrollment Update](#) | [Pell Grants](#) | **Overpayment**


Display New SSN:  First Name:  DOB:


Logged on as : J SMITH from [UNIVERSITY OF BOSTON](#)

 **JOE J STUDENT**  
 SSN: 123-45-6789 DOB: 10/01/1922

 **Overpayment History**

Type	Ind	Disbursement Date	Repayment Date	Create Date	Input Error	Source
<b>1 PELL</b>	Y	09/15/1996	10/05/1996	10/01/1997		EDR 05 - CHICAGO
	<a href="#">UNIVERSITY OF BOSTON 012345678</a>					Updated: 10/01/1998 by J SMITH
<b>2 PERKINS</b>	Y	09/10/1995	10/05/1996	09/30/1995	Y	EDR 05 - CHICAGO
	<a href="#">YALE 123456789</a>					Updated: 10/01/1998 by J SMITH
<b>3 PELL</b>	Y	09/10/1995	10/05/1996	09/30/1995		EDR 05 - CHICAGO
	<a href="#">YALE 123456789</a>					Updated: 10/01/1998 by J SMITH

 **PRIVACY ACT OF 1974(AS AMENDED)**

 Local intranet zone



# NSLDS Screens

Overpayment Update (JOE J STUDENT) - Microsoft Internet Explorer

File Edit View Go Favorites Help

Address N:\Task Order 48\Specs\correct Page Pictures\Overpayment Update ED user.html

**NSLDS** Menu AID Org

Loan History | Enrollment History | Enrollment Update | Pell Grants | Overpayment

Logged on as : J SMITH from UNIVERSITY OF BOSTON

Return to Overpayment History

JOE J STUDENT  
SSN: 123-45-6789 DOB: 10/01/1922

Overpayment Update

School: [YALE - 12345679](#)  
Type: PELL  
Disbursement Date: 09/15/1996  
Indicator: OVERPAYMENT  
Repayment Date: 10/05/1996 (MM/DD/YYYY)  
Source: EDR  
Region: 04

Input Error: ☐

Submit

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Local intranet zone

# NSLDS Screens

Overpayment Add (Student Unknown) - Microsoft Internet Explorer

File Edit View Go Favorites Help

Address P:\Task Order 48\Specs\Page Pictures\school Student Overpayment Add.html

**NSLDS** Menu AID Org

Loan History | Enrollment History | Enrollment Update | PELL Grants | Overpayment

Display New SSN:  First Name:  DOB:  Retrieve

Logged on as : J SMITH from UNIVERSITY OF BOSTON

Return to Overpayment History

**Overpayment Add**

**New Student Details**

Social Security Number:

Last Name:

First Name:

Middle Initial:

Date Of Birth:  (MM/DD/YYYY)

**Overpayment Details**

School OPEID: YALE - 12345600

Type:

Disbursement Date:  (MM/DD/YYYY)

Indicator:

Repayment Date:  (MM/DD/YYYY)

Source:

Submit

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Local intranet zone



## ***Referring an Overpayment***

- A revised format has been developed for institutions to refer student Title IV overpayments
- See: [IFAP.ed.gov](http://IFAP.ed.gov)
- Referral must be on institution's letterhead
- It can be mailed, sent overnight express, or faxed (903-408-4634).



## ***Let's Talk***

- By a show of hands, how many people have made a referral since implementing the new regulations on the Return of Title IV funds?
- How many have tried ED's free R2T4 software?
- What improvements to the software would be most useful to your operations and improve service to students?



## *Let's Talk*

### ■ Other issues?

— ...

— ...

— ...

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— ...

— ...



# ***Thanks !!***

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